

Amendment No. 8 to SB2646

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by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-6-202(a), is amended by deleting the language "at the rate of six percent (6%) of" and by substituting instead the language "on" and by adding at the end of the subsection the language "The tax shall be levied at a rate of ten percent (10%) of the first one thousand six hundred dollars (\$1,600) on the tax base of each single article, as that term is defined in § 67-6-702(d), and at the rate of eight percent (8%) on the remaining portion of taxable base of a single article. Services and amusements do not constitute single articles.

SECTION 2. Tennessee Code Annotated, Section 67-6-203, is amended by deleting the language "six percent (6%)" in subsection (a) and by substituting instead the language "the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202".

SECTION 3. Tennessee Code Annotated, Section 67-6-204, is amended by deleting the language "six percent (6%)" wherever it appears and substituting instead the language "the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202".

SECTION 4. Tennessee Code Annotated, Section 67-6-205, is amended by deleting the language "six percent (6%)" in subsection (a) and by substituting instead the language "the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202".

SECTION 5. Tennessee Code Annotated, Section 67-6-226, is amended by deleting the language "eight and one-quarter percent (8.25%)" and by substituting

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instead the language “the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202”.

SECTION 6. Tennessee Code Annotated, Section 67-6-227, is amended by deleting the language “eight and one-quarter percent (8.25%)” and by substituting instead the language “the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202”.

SECTION 7. Tennessee Code Annotated, Section 67-6-103 is amended by deleting the present language in its entirety and substituting the following language:

(a) The commissioner shall deposit promptly to the credit of the state treasurer in state depositories all moneys received by the commissioner under the provisions of this chapter, and all such moneys shall be earmarked and allocated as follows:

(1) A sum is allocated to each of the counties and incorporated cities or towns in the state, equal to the amount of local sales and use tax that would have been distributed to each county, city, or town under the provisions of part 7 of this chapter, if the tax rates, single article limitations, and other provisions of Title 67, Chapter 6, Part 7 in effect as of March 1, 2002 had continued in effect, and the local option sales and use tax had continued to be levied by the cities and counties.

(2) Forty-four and three thousand two hundred seventy-four ten-thousandths percent (44.3274%) of such moneys, after the allocation

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provided for in subdivision (a)(1), shall be earmarked and allocated specifically and exclusively to the general fund;

(3) Fifty-one and six-hundred sixteen ten thousandths percent (51.0616%) of such moneys, after the allocation provided for in subdivision (a)(1), shall be earmarked and allocated specifically and exclusively to educational purposes; and

(4)

(A) Three and six thousand twenty-three ten-thousandths percent (3.6023%), after the allocation provided for in subdivision (a)(1), shall be appropriated to the several incorporated municipalities within the state of Tennessee to be allocated and distributed to them monthly by the commissioner of finance and administration in the proportion as the population of each municipality bears to the aggregate population of all municipalities within the state according to the latest federal census and other censuses authorized by law. Municipalities incorporated subsequent to the last decennial federal census shall, until the next decennial federal census, be eligible for an allotment, commencing on July 1, following incorporation, election and installation of officials, on the population basis determined under regulations of the department of economic and community development and certified by that officer to the commissioner;

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provided, that an accurate census of population has been certified to the department by the municipality. Municipalities now participating in allocation shall continue to do so on the basis of their population determined according to law;

(B)

(i) A municipality having a population of one thousand one hundred (1,100) or more persons, according to the federal census of 1970 or any subsequent federal census, in which at least forty percent (40%) of the assessed valuation (as shown by the tax assessment rolls or books of the municipality) of the real estate in the municipality consists of hotels, motels, tourist courts accommodation, tourist shops and restaurants, is defined as a "premiere type tourist resort" for purposes of this chapter. As an alternative to and in lieu of the allocation prescribed in subdivision (a)(4)(A), a premiere type tourist resort may elect to receive three and six thousand twenty-three ten-thousandths percent (3.6023%) of the tax actually collected and remitted by dealers within the boundaries of such resort. Any distribution made to a premiere type tourist resort pursuant to such election shall be earmarked and paid from the general fund. If, however,

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any such payment is made to a premiere type tourist resort pursuant to the election, the amount which would have been received by such resort had the resort not exercised the election shall be earmarked and allocated to the general fund;

(ii) A municipality meeting the criteria set forth in subdivision (a)(4)(B)(i) and also owning a golf course and ski slope shall also receive an amount equal to the amount distributed pursuant to subdivision (a)(4)(B)(i). Any distribution made to such a municipality shall be earmarked and paid from the general fund for the purpose of assisting in the retirement of the convention center obligations in connection with the acquisition, construction and operation of the convention center;

(iii) A municipality meeting the criteria set forth in subdivision (a)(4)(B)(i) and also containing within its boundaries a theme park of not less than eighty (80) acres shall also receive an amount equal to the distribution pursuant to subdivision (a)(4)(B)(i);

(iv)

(a) A municipality meeting the criteria set forth in subdivision (a)(3)(B)(ii) shall also receive in

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addition to amounts authorized in this subsection in the 1988-1989 fiscal year, an amount equal to fifty-six percent (56%) of the amount distributed in the 1986-1987 fiscal year pursuant to subdivision (a)(4)(B)(ii), and an amount equal to ninety percent (90%) of the amount distributed in the 1986-1987 fiscal year in subsequent years;

(b) A municipality meeting the criteria set forth in subdivision (a)(4)(B)(iii) shall also receive, in addition to amounts authorized in this subsection in the 1988-1989 fiscal year, an amount equal to sixty percent (60%) of the amount distributed in the 1986-1987 fiscal year pursuant to subdivision (a)(4)(B)(iii), and an amount equal to ninety-six percent (96%) of the amount distributed in the 1986-1987 fiscal year in subsequent years;

(v) The collective amounts paid under subdivisions (a)(4)(B)(i) through (a)(4)(B)(iv) shall be limited to the collective amounts paid under such subdivisions for the 1999-2000 fiscal year.

(C) Any municipality shall have the right to take not more than three (3) special censuses at its own expense at any time

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during the interim between the regular decennial federal census. Such right shall include the current decennium. Any such census shall be taken by the federal bureau of the census, or in a manner directed by and satisfactory to the department of economic and community development. The population of the municipality shall be revised in accordance with the special census for purposes of distribution of such funds, effective on the next July 1 following the certification of the census results by the federal bureau of the census or the department of economic and community development to the commissioner of finance and administration; the aggregate population shall likewise be adjusted in accordance with any such special census, effective the same date as aforementioned;

(D) Any other such special census of the entire municipality taken in the same manner provided herein, under any other law, shall be used for the distribution of such funds, and in that case, no additional special census shall be taken under the provisions of this section;

(E) Before distributing moneys to incorporated municipalities from the sales tax, as provided for herein, the commissioner of finance and administration shall make a deduction therefrom monthly of a sum equal to one percent (1%)

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of the municipalities' monthly allocation pursuant to subdivision (a)(4). This sum, together with an appropriation per annum from the general fund of the state, shall be apportioned and transmitted to the University of Tennessee for use by the university in establishing and operating a municipal technical advisory service in its institute for public service, and shall be used for studies and research in municipal government, publications, educational conferences and attendance at such conferences and in furnishing technical, consultative and field services to municipalities in problems relating to fiscal administration, accounting, tax assessment and collection, law enforcement, improvements and public works, and in any and all matters relating to municipal government. This program shall be carried on in cooperation with and with the advice of cities and towns in the state acting through the Tennessee municipal league and its executive committee, which is recognized as their official agency or instrumentality;

(5) Two thousand eight hundred eighty-two ten-thousandths percent (0.2882%), after the allocation provided for in subdivision (a)(1), or so much thereof as may be required, is appropriated to the department of revenue in addition to its regular appropriation to be expended by it in the administration and enforcement of this chapter; and

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(6) Seven thousand two hundred five ten-thousandths percent (0.7205%), after the allocation provided for in subdivision (a)(1), is appropriated to the sinking fund account to be used by the state funding board for the payment of principal and interest becoming due on state bonds issued by the state of Tennessee.

(b)

(1) Notwithstanding the allocations provided for in subsection (a), all moneys received under the provisions of this chapter from the sale, use, consumption, distribution, or storage for use or consumption of fuels used for aviation, railways, or water carriers on or after July 1, 1988, shall be deposited by the commissioner in a separate account to be known as the "transportation equity trust fund." The funds in this account shall be used by the department of transportation for railways, aeronautics, and waterways related programs and activities.

(2) It is hereby declared to be the legislative intent that railways, aeronautics and waterways programs and operations are vital to the economic and social development of the state of Tennessee and as such should be considered an equal priority of the department in the administration of its programs.

(c) Notwithstanding the provisions of subsections (a) and (b), all revenue generated from the increase in the sales tax rate pursuant to Chapter 529, Public Acts of 1992, after June 30, 1992, shall be deposited in the state general fund

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and earmarked for education purposes in kindergarten through grade twelve (K-12).

(d)

(1)

(A) Notwithstanding the allocations provided for in subsection (a), if there exists in a municipality a sports authority organized pursuant to the provisions of title 7, chapter 67, and if that sports authority has secured a major league professional baseball (American or National League), football (National Football League or Canadian Football League, or its successors or assigns), basketball (National Basketball Association) or hockey (National Hockey League) franchise for that municipality, then an amount shall be apportioned and distributed to the municipality equal to the amount of state tax revenue derived from the sale of admissions to games of the major league professional sports franchise, and also the sale of food and drink sold on the premises of the sports facility in conjunction with those games, parking charges, and related services, as well as the sale by such major league professional sports franchise, within the county in which the games take place, of authorized franchise goods and products associated with its operations as a professional sports franchise. Notwithstanding the allocations provided for in

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subsection (a), if a new franchise for a minor league affiliate of a major league baseball team (American or National League) playing at the Class AA level or higher locates in a municipality in this state and if such municipality constructs a new stadium for such new franchise, then at such time as the new franchise begins operating, and for a period of thirty (30) years thereafter, an amount shall be apportioned and distributed to the entity that is responsible for retirement of the debt on and maintenance of the stadium in such municipality equal to the amount of state and local tax revenue derived from the sale of admissions to games of the professional sports franchise, and also the sale of food and drink sold on the premises of the stadium used in conjunction with those games, parking charges, and related services, as well as the sale by such professional sports franchise, within the county in which the games take place, of authorized franchise goods and products associated with its operations as a professional sports franchise. Such amount distributed to the municipality shall be for the exclusive use of the sports authority, or comparable municipal agency formally designated by the municipality, in accordance with the provisions of title 7, chapter 67. For the purpose of this subsection, "municipality" means any incorporated city or county located in the state of Tennessee. On and after June 1, 2002, the

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allocation provided for by this subdivision shall be limited to the amount that would have been allocated if the tax rates in effect as of March 1, 2002 had remained in effect.

(B) In lieu of distribution to any municipality, amounts derived from a National Football League franchise shall be earmarked and allocated specifically and exclusively to the general fund. In all cases, any distribution to a municipality as provided for by this subsection shall be limited to a period of thirty (30) years which shall be concurrent with the time limitation established by subdivision (d)(2). Following the expiration of this thirty (30) year period, all amounts which would have otherwise been distributed to the municipality or retained in lieu of distribution shall be allocated as provided elsewhere without regard to this subsection.

(C) Notwithstanding the allocations provided in subsection (a), if there exists in a municipality in this state a sports authority organized pursuant to the provisions of title 7, chapter 67, and if a new motor sports facility locates in that municipality, and if the sports authority issues bonds or notes and uses the proceeds to assist with the development of such motor sports facility, including, (without limitation) the construction of roads, streets, highways, curbs, bridges, flood control facilities, and utility

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services, such as water, sanitary sewer, electricity, gas and natural gas, and telecommunications for such facility, then at such time as the new motor sports facility begins operating, and for a period of thirty (30) years thereafter, an amount shall be apportioned and distributed to the sports authority of that municipality, or other entity which is responsible for the retirement of the debt evidenced by such bonds or notes, equal to the amount of state and local tax revenue derived from the sale of admissions to events at such facility, and also the sale of food and drinks sold on the premises of such facility used in conjunction with those events, parking charges, and related services, as well as the sale at such facility of souvenirs, memorabilia, and other goods and products associated with the operation of the facility. On and after June 1, 2002, this distribution shall be limited to the amount that would have been distributed if the tax rates in effect as of March 1, 2002 had remained in effect. Such amount distributed shall be for the exclusive use of the sports authority, or comparable municipal agency, formally designed by the municipality in accordance with the provisions of title 7, chapter 67. Notwithstanding the provisions of this section, a sports authority and the municipality in which it is located may enter into an agreement under which all or any portion of the local tax

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revenue may be paid to the municipality for its exclusive use. For the purposes of this subdivision (d)(1)(C), "municipality" means any incorporated city or county located in the state of Tennessee. This subdivision (d)(1)(C) shall only be applicable if the cost of the acquisition of real property for such new motor sports facility, together with the costs of constructing and equipping the facility, exceeds forty million dollars (\$40,000,000), incurred after January 1, 1999. The state portion of the tax revenue shall be distributed to the sports authority only if, at the date of such distribution, the sports authority has outstanding indebtedness due on such bonds or notes described above.

(2) Any bonds issued relative to the construction of a sports facility shall not be issued for a term longer than thirty (30) years from the date the first game is played by the professional sports franchise in a municipality, as defined in subdivision (d)(1).

(e) Notwithstanding the provisions of this section to the contrary, revenue derived from taxes imposed by this chapter, except revenue allocated pursuant to subdivision (c)(2), shall be earmarked and allocated in accordance with the provisions of title 7, chapter 88, part 1.

(f) Notwithstanding the provisions of subsections (a)-(e), the state tax on fees or charges for subscription to, access to, or use of television programming or television services provided by a cable television service provider authorized

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pursuant to title 7, chapter 59, or by a provider of wireless cable television services (multipoint distribution service/multichannel multipoint distribution service) offered for public consumption on charges or fees in excess of fifteen dollars (\$15.00) but less than twenty-seven dollars and fifty cents (\$27.50) per month, shall be for state purposes only and shall be earmarked and allocated specifically and exclusively to the general fund. Any amounts derived from the sales tax on fees or charges for subscription to, access to, or use of television programming or television services provided by a cable television service provider authorized pursuant to title 7, chapter 59, or by a provider of wireless cable television services (multipoint distribution service/multichannel multipoint distribution service) offered for public consumption, in excess of twenty-seven dollars and fifty cents (\$27.50) shall be taxed at the state rate of the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202.

SECTION 8. Tennessee Code Annotated, Section 67-6-701, is amended by adding the following new subsection:

(c) Notwithstanding any other provision of law to the contrary, counties and incorporated cities and towns shall not levy the tax authorized by this part, so long as the state tax levied by Title 67, Chapter 6, Parts 1 through 6, is allocated to them in accordance with the provisions of § 67-6-103. No county, city, or town may enact a tax rate increase, or raise the single article tax limit, as otherwise provided for by this part, after the effective date of this act.

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SECTION 9. Tennessee Code Annotated, Section 7-88-106, is amended by adding the following new subsection:

(c) On and after June 1, 2002, the allocation provided for by this section shall be limited to the amount that would have been allocated if the tax rates in effect as of March 1, 2002 had remained in effect.

SECTION 10. This act shall take effect on April 1, 2002, the public welfare requiring it.